



PREVENTIVE LAW SERIES

DOOR-TO-DOOR SALES



Prepared by:
Legal Assistance Department
Region Legal Service Office Southwest
3395 Sturtevant Street Suite 9
San Diego CA 92136-5072
(619) 556-2211

WHAT IS A DOOR-TO-DOOR SALE?

A door-to-door sale is a sale, lease, or rental of consumer goods or services, with a total purchase price of \$25.00 or more, that is personally solicited by the seller at a place other than the seller's permanent place of business. Examples include sales made at the following locations: (a) the buyer's residence; (b) facilities rented on a temporary or short-term basis such as hotel/motel rooms, conventions centers, fairgrounds, and restaurants; or (c) the buyer's workplace or in dormitory lounges. Such sales are covered by the Home Solicitation Sales Act.

IS THERE A RIGHT TO CANCEL A DOOR-TO-DOOR SALE?

Almost all consumer contracts for goods or services intended for personal use in the amount of \$25 or more that take place in the buyer's home OR away from normally "appropriate trade premises" can be cancelled by the buyer, with no penalties or obligations, **within 3 business days after signing the contract**. Thus, if the buyer signs the contract on Monday, the cancellation period ends at 11:59 pm on Thursday. The buyer may cancel the contract by providing written notice of their intention to cancel the contract, but in turn the buyer must make any goods already received reasonably available for the seller.

WHAT IS "APPROPRIATE TRADE PREMISES"?

The Act applies if the contract was entered into at any place other than where the seller normally carries on his business. Additionally, the Act applies where the seller's place of business is not a normal place of business. The most common situation is in the buyer's home, but the Act applies to many other places as well.

REQUIRED DISCLOSURES BY THE SELLER

If the seller **fails** to provide **both oral and written notices** as required by law, the buyer's right to cancel the contract can be extended beyond the 3-day period. A seller must orally inform the buyer of the 3-day right to cancel and furnish, at time of sale, two copies of a NOTICE OF CANCELLATION or NOTICE OF RIGHT TO CANCEL. However, even if the seller fails to provide the cancellation form, the buyer may write their own cancellation letter.

WHAT TYPES OF TRANSACTIONS ARE NOT COVERED?

1. The sale, lease, or rental of a motor vehicle or mobile home.
2. Services provided by a variety of professionals (doctors, lawyers, real estate brokers, etc). The Act also does not cover the sale of insurance or financial services as long as the insurance or financial services were not sold in connection with consumer goods or services.
3. Any transaction which is subject to cancellation by the buyer under the Federal Truth in Lending Act.
4. Contracts with a licensed contractor for repair services are not covered if a) the contract price is less than \$100, b) the buyer initiated the negotiation; AND c) the contract contains a written and dated statement, signed by the buyer, that he or she initiated the negotiations.

FEDERAL TRADE COMMISSION

The Federal Trade Commission (FTC) provides education to consumers, and investigates and pursues allegations of illegal business practices. You can file a formal complaint against a business or person on their website, which may lead to detection of patterns of fraud and abuse, an investigation, and ultimately eliminate unfair business practices. The FTC does not resolve individual complaints, but can provide information about what next steps to take. Their website offers information on a wide variety of consumer issues, including but not limited to mortgages, employment, health and fitness, credit, privacy, and identity.

LEGAL ASSISTANCE SERVICES

A legal assistance attorney is available by appointment Monday through Thursday from 0800 -1030 and 1300 - 1500, and Friday from 0900 -1100. Powers of attorney and notaries are available Monday through Friday at the same times. For more information, please contact the Legal Assistance Office, located in Building 56, 32nd Street Naval Station, San Diego, CA, by telephone at (619) 556-2211, or our office at Naval Air Station North Island – Coronado, Building 318 – Second Deck, above the Fleet and Family Support Center, Saufley Road, by telephone at (619) 545-6437.

RESOURCES

Federal Trade Commission: (877) FTC-HELP; www.consumer.ftc.gov/features/feature-0009-military-families

- Consumer Information: www.consumer.ftc.gov; (877) FTC-HELP
- File a Consumer Complaint: www.ftccomplaintassistant.gov

California Department of Consumer Affairs: (800) 952-5210, www.dca.ca.gov/legal

Home Solicitation Sales Act, California Civil Code §§ 1689.5–1689.13 (2013).

Rule Concerning Cooling-Off Period, 16 C.F.R. Part 429 (2013).